SAYS WE HAVE NEITHER LAW NOR EQUITY ON OUR SIDE

WILL KEEP UP BLOCKADE

Defends Actions of Her Navy, Justifles Them by Citing Germany's Various Acts-Supplemental Note Discusses Prize Courts and Suggests Arbitration of Whatever Differences May Arise.

Great Britain's reply to the latest American representations against interferences with neutral commerce made public Tuesday night rejects entirely the contention that the orders in council are illegal and justifies the British course as wholly within international law.

"Unsustainable either in point of law or upon principles of international equity" is the British reply to the American protest against the blockade of neutral ports, with an invitation to submit to international arbitration any cases in which the United States is dissatisfied with ac tion of British prize courts.

The British reply is contained in two notes, one supplemental. With the notes were made public corre spondence over the American steamer Neches, seized by the British while en route from Rotterdam to the United States, with goods of Ger

Changed conditions of warfare, the British note contends, require a new application of the principles of inter national law. The advent of the sub marine, the airship and alleged German atrocities in Belgium are cited as justification for extreme measures The blockade is justified on the con-tention that the universally recognized fundamental principle of a blockade is that a belligerent is entitled to cut off "by effective means the sea borne commerce of his enemy." The note reiterates that Great

Britain will continue to apply the orders complained of, although no without every effort to avoid embarrassing neutrals, and observes that American statistics show that any loss in trade with Germany and Aus tria has been more than overbalanced by the increase of other industrial activities due to the war.

In the gereral reply to the Ameri can representations against the or-ders in council, Sir Edward Grey, the foreign minister, addressing Ambas sador Page, begins by expressing the hope that he may convince the administration in Washington "that the measures we have announced are not only reasonable and necessary in themselves, but constitute no more than an adaptation of the old principle of blockade to the peculiar circumstances with which we are confronted.'

Sir Edward then refers to alleged atrocities in Belgium poisoning of wells in German Southwest Africa use of poisonous gases against the allied troops in Flanders, and finally the sinking of the Lusitania, to show how indispensable it is that "we should leave unused no justifiable method of defending ourselves."

Coming down to the question of the allied blockade of neutral ports the note continues: "In the various notes which I have received from your Excellency the right of a belligerent to establish a blockade of the enemy ports is admitted, a right in lieu of international law, Sir Edwhich has obviously no value save ward Grey writes he does "not unwer to a bel ligerent to cut off the sea-borne exports and imports of his enemy. The contention which I under

stand the United States government now puts forward is that if a bellig erent is so circumstanced that his commerce can pass through adjacent neutral ports as easily as through ports in his own territory, his opponent has no right to interfere, and must restrict his measures of blockade in such a manner as to leave such avenues of commerce still open to his adversary. This is a contention which his Majesty's government feels unable to accept, and which seems to them unsustainable in point of law or upon principles of inter-national equity.

"They are unable to admit that a belligerent violates any fundamental principle of international law by applying a blockade in such a way as to cut oq the enemy's commerce with foreign countries through neutra ports, if the circumstances render such an application of principles of blockade the only means of making

it effective. "The government of the United States, indeed, intimates its readiness to take into account the great changes which have occurred in the conditions and means of naval warfare since the rules hitherto governing legal blockade were formulated, and recognizes that the form of close blockade with its cordon of ships in the immediate offing of the blockaded ports is no longer practicable in the face of an enemy possessing the means and opportunity to make an effective defence by the use of submarines, mines and aircrafts.

"The only question, then, which can arise, in regard to the measures resorted to for the purpose of carrying out a blockade upon these extended lines is, whether to use your Excellency's words, they conform to the not yet been brought to a decision spirit and principles' of essence of the rules of war and we shall be United States that "it is open to any content to apply this test to the ac- United States citizen whose claim is tion which we have taken insofar as It has necessitated interference with neutral commerce."

Sir Edward Grey then refers to the American civil war blockade of three thousand miles of coast with a small number of vessels and recalls how the United States finally took re-course to blockading "neighboring neutral territory, which offered convenient centres from which contraband could be introduced into Confederate territory and from which blockade running could be facilitat-

"Your Excellency will no doubt remember," wrote Sir Edward, "how, in order to meet this new difficulty. the old principles relating to contraband and blockade were developed and the doctrine a continuous voyage was applied and enforced, under which goods destined for the enemy territory were intercepted before they

reached the neutral ports from which tribunal to review the decisions of they were to be re-exported.
"The difficulties which imposed upon the United States the necessity of reshaping some of the old rules ae somewhat akin to those with which the allies are now faced in dealing with the trade of their decisions as sustained by the privy enemy. Adjacent to Germany are council, the British government is various neutral countries which afford her convenient opportunities for carrying on her trade with foreign

"Her own territories are covered by a network of railways and waterways, which enable her commerce to pass as conveniently through ports in marily demanded the expeditious re such neutral countries as through her A blockade limited to enemy ports would leave open routes by which every kind of German commerce could pass almost as easily as through the ports in her own ter-

blockade is in certain cases the appropriate method of intercepting the rade of an enemy country, and if the blockade can only become effective FALL OF WARSAW STARTS A by extending it to enemy commerce passing through neutral ports, such an extension is defensible and in ac cordance with principles which have met with general acceptance.

The note then refers to the case of the British ship Springbok, seized by the United States cruisers during the civil war, bound for the British West Indies, because her cargo, it was charged, was to be transshipped to the Confederate States.

The Supreme Court of the United States sustained the seizure against the condemnation of a group of prominent lawyers, although the United States and British governments took the broader view and recognized the development of older nethods of blockade. No protest was made by Great Britain.

What is really important in the general interest says the note, "is that adapations of old rules should not be made unless they are consistent with the general principle upon which an admitted belligerent right is based. It is also essential that all unnecessary injury to neutrals should be avoided.

"With these conditions it may be safely affirmed that the steps we are taking to intercept commodities on their way to and from Germany fully comply. We are interfering with no goods with which we should be entitled to interfere by blockade if the geographical position and the conditions of Germany at present were such that her commerce passed through her own ports.

"We are taking the utmost pos sible care not to interfere with commerce genuinely destined for or roceeding from neutral countries. Furthermore, we have tempered the severity with which our measures of this force have not been strictly might press upon neutrals by not applying the rule which was invariable in the old form of blockade, that ships and goods on their way to or from the blockaded area are liable to condemnation." The note reviews at some length

various forms in which blockades have been maintained to show there has been no uniformity of practice in essential points, and declares "the one principle which is fundamental and has obtained universal recognition is that by means of blockade a belligerent is entitled to cut off by effective means the sea-borne com merce of his enemy."

Consequently, Sir Edward argues,

is impossible to maintain that the right of a belligerent to intercept the commerce of his enemy can be limited in the way suggested in the American notes on the subject. "There are many cases," he says, "in which proofs that the goods were enemy property would afford strong evidence that they were of enemy origin or enemy destination and it is only in such cases that we are detaining them. Where proof of enemyownership would afford no evidence of such origin or destination we are not in practice of detaining the goods." Sir Edward's note closes with the observation that "figures of recent months show that the increased opportunities afforded by the war for American commerce have more than compensated for the loss of the Ger-man and Austrian markets. "We shall continue," he says, "to apply these measures with every desire to occasion the least possible amount of inconvenience to persons engaged in legitimate commerce.

In the supplemental note, which replies to the American caveat giving notice that the United States would not recognize the orders in council derstand to what divergence of views as to the principles of law applicable in cases before the prize court, the government of the United States refers, for I am not aware of any diferences existing between the two countries as to the principles of law applicable in cases before such courts."

Sir Edward compares the rules governing British prize courts to the rules applied by American courts, referring especially to the American ease of the Amy Warwick before the United States Supreme Court, where t was held that "prize courts are subject to the instructions of their own sovereign. In the absence of such instructions their jurisdiction and rules of decision are to be ascertained by reference to the known powers of such tribunals and the principle by which they are governed inder the public law and the practice of nations. It would appear, therefore, that the principles applied by the prize courts of two countries are

The supplemental note then pro eeds to demonstrate the practicability of a prize court being governed by international law at the same time by municipal law in the form of orders in council. It finally comes to the case of the steamer Zamora, in the presen' war. The British court declared "the nations of the world need not be apprehensive that orders in council will emanate from the gov ernment of this country in such violation of the acknowledged laws of nations that it is conceivable that our prize tribunal, holding the law of nations in reverence would feel called upon to disregard and refuse obedience to the provisions of such orders."

Sir Edward then points out that the legality of orders in council or for measures taken under them, have in a prize court, but he reminds the before the prize court to contend that any order in council which may affect his claim is inconsistent with the principles of international law and is, therefore, not binding upon

the court.
"If the prize court declines to accept his contentions, and if, after such a decision has been upheld upon appeal the judicial commerce of his Majesty's privy council, the government of the United States cosider that there is serious ground for holding that the decision is incorrect and infringes the rights of their citizens. it is open to them to claim that it should be subjected to review by an international tribunal."

The Matamoros cases of civil war then are cited to show that the United States Supreme Court held it had the right to reverse prize court de-cisions, and that "there was no doubt of jurisdiction of an international prize courts of the United States where the parties alleging themselves aggrieved had prosecuted their appeals to the 'Court of Last Resort. "If the United States should be dissatisfied with British prize cour! council, the British government is prepared to act in concert with the United States "in order to decide upon the best way of applying the principle to the situation which

would then have arisen." To the American note in the case of the steamer Neches, which sumlease of the American-owned gooddetained under the orders in counci 'the invalidity of which the government of the United States regards as plainly illustrated by the present instance," Great Britain replied that "while these acts of the German gov-"Rotterdam is, indeed, the nearest ernment continue (sinking neutral as ed in Belgium.

ENGLAND ANSWERS outlet for some of the industrial districts of Germany. It seems, accordingly, that if it be recognized that a

HUGE GERMAN EFFORT

AFTER ARMY OF NICHOLAS

Turning Movement Now Being Developed is Attempting to Drive Slavs From Their Second Line of Defence and to Force Evacuation of Bug River Positions

In reviewing the operations of the past week that led up to the fall of Varsaw, a division of the fighting front into sectors, similar to that of several weeks ago, will again be Although the made and followed. ultimate objective of all the Teuton armies on this front was naturally Warsaw, each of them had a function to perform in regard to a particular objective, and it was a combination of this that was to effect and did effect the fall of the Polish capital. Therefore, the various steps taken can, in their relation to the whole, be best understood by following the operations of each of the various armies.

Around the Gulf of Riga. In the extreme northern sector, that of Courland, the army of Gen. wing bmoic39 cetaoinshrdlucmfwyp von Buelow is operatin, his left be ing at some point on the Gulf of Riga, his right extending down into Suwalki Province in the neighborhood of Augustowo. The operations against Warsaw itself. It seems rather a heavy raiding force, which, in addition to its offensive operations, prevents the turning of the German left, as was done by the Russians in the earlier campaign against Warsaw.

Von Buelow's Minor Successes.

Von Buelow's operations have been largely against the principal Russian cities in Courland and the railroad running from Warsaw through Grodno and Vilna to Petrograd. This army has met with considerable minor successes. It has taken the town of Mitau, is seriously menacing he important gulf port of Riga and, although stubbornly opposed, has fought its way forward some little distance toward the railroad. But the railroad is still a long way off and it will probably be a month at least before it can be reached, if it ever is. Some of its branches have been and probably will continue to be cut, but the main stem is intact.

Railroad Line is Important. The importance of this road is not primarily that it feeds Warsaw, for Warsaw being now in German hands need no longer be considered in this connection. But the Russians will of ecessity fall back to a new line, fighting as they retire, and it is the fight flank of their new line that vill be dependent on it for supplies. In so far as the rest of the new line is concerned, it would be but ittle affected by the success of von Buelow's operations, as the roads through Siedlee and Volkovysk, and through Brest-Litovsk, with their numerous branches, can bear sufficient traffic to bring up the necessary supplies.

In so far, therefore, as von Buelow's force has influenced the fall of done more than to have effectively guarded the flank of the forces operating in the next sector, that of the Narew from Lomza to the co of the Narew and the Bug at Serock.

Narew Affords Splendid Defence. Although the Narew is only about 200 yards wide, it is guarded, as are most of the rivers of Poland, by a wide marsh belt on both sides. therefore, makes an excellent defensive position. In addition to its natural strength its defensive possibilities have been greatly augmented by the construction of permanent fortifications at various points within supporting distance of each other. The principal ones are Lomza, Ostrolenka, Rozan, Pultusk and Serock.

May Cut Off Garrisons. The Narew between Lomza and Serock screens three railroads radiating from Ostrolenka, all of which are branches of the Warsaw-Petrograd road. It is, therefore, entirely ogical that such heavy fighting developed along the Narew front, as the cutting of any of the three roads would almost certainly result in the isolation and consequent capture of the Russian forces occupying at least one and probably more of these for-

tified places. What has been stated repeatedly in these reviews must be remembered -the objective of the German army must be not territory, but men, the Russian army itself. Grant's victories in the Wilderness, at Spottsylvania, Cold Harbor, and Petersburg, gave him only territory and otherwise left him empty-handed. It was only when Lee surrendered at Appomattox and the army of Northern Virginia ceased to exist as a fighting entity that Grant's "hammering campaign" could be put down as a success. It is with an understanding and realization of this fact that we must view the German operations against War-

Germans Were Driven Back.

During the week beginning July o4 the Germans threw an overwhelming force aginst the Russian line on the east bank of the Narew near Rozan and succeeded in forcing a crossing with a considerable force in the neighborhood of Rozan. But the Russians, reinforced at this point, put a sudden stop to the German ad vance by a severe counter attack, drove back some of the troops that had crossed the river, and held the others in the heavy forest just east of the Rozan bridgehead. Official reports from Berlin have daily mentioned this sector, and every report emphasizes the severity of the fight ing, but no report was made of a suc cessful crossing other than that not-

The fall of Warsaw will, however force the Russians to retire from the Narew to their new line. The situation is somewhat confused at present, but the probabilities are that a strong Russian rear guard is holding the bridgeheads at the various fortified points while the main Russian army occupying the front is retiring. The fighting will be desperate, naturally, as troops engaged in such a rear-

well as British merchant ships, irrespective of destination or origin of eargo, and without proper regard for safety of passengers or crews), seems neither reasonable nor just that his Majesty's government should be pressed to abandon the rights claimed in the British note, and to allow goods from Germany to pass freely through waters effectively patrolled by British ships of war.' Great Britain offers, however, to nake a special examination in the Neches case if hardship has been in-

flicted. The British reply, in short is a declination to allow free passage to the most important avenues through goods originating in Germany or a the valley. territory under German control. The At the general cargo of the Neches originat- movement is not of sufficient volume occurred in experimenting with explo-

its retreat. Even when the advancing Germans force the bridgeheads their work is not done, and the Russian rear guard can still make effective resistance by reason of the marshes and deep forests with which the eastern bank of the Narew is fringed. The only fuestion is, and this applies to all the forces in the sharper part of the Warsaw sailient: Knowing that ultimate retirement was inevitable, have the Russians commenced the retrograde movement in time?

Where Von Hindenberg Attacked. In the next sector, that immediate y west of and encircling Warsaw von Hindenberg drove forward by frontal attacks against fortified positions along the outer line of defen-sive works of the city. To the north, in the rtgion of Novo Georgievsk, although continuous fighting of the most severe character did not shake the Russian resistance. But the fall of Lublin and Chaten and the consequent abandonment of a considerable section of the railroad decided the operations in the Warsaw sector proper, and on Wednesday Petrograd announced a retirement from Blonie-Nadarzyn position to the defenses of Warsaw itself. This move brought the end into plain view. It was but a question here, as on the Narew, of the Russians delaying by rear-guard fighting, while the main army retreated behind the Vistula.

Warsaw Situation Confused.

On Thursday Berlin announced that the Russians had retired across the Vistula bridges at Praga and Warsaw was occupied by German troops. Here, as along the Narew front, the situation is for the time being somewhat confused. Reports referring to the Russian evacuation speak of the Russians still holding the front along the Narew and the Bug and pivoting on Novo Georgievsk. The situation that would be created by such a manoeuvre would seem too fraught with darger to be possible.

Another salient would thus be cre ated with Novo-Georgievsk as its apex and only a few miles wide at the base. If this fortress is still held, the force garrisoning it must be a small one, intended only for temporary occupancy in order to cause delay.

Heavy Fighting to Continue.

Although Warsaw has falleu it can not be expected that the fighting will suddenly cease. On the contrary, for some days, until the Russian retreat in safety is assured and until it can adjust itself to a new position, the fighting may be just as intense as during the last three toll from the Germans in return for the city she has lost, and will doubtless supplement her pound of flesh before her retirement is complete.

Running southeast from the sector around Warsaw is the sector of the Vistula extending along the railroad from Ivangorod to Cholm. It was and the Swiss frontier. the successes along a section of this line that, more than von Hindenberg's activity near Warsaw itself, caused the evacuation.

Railroad's Capture Spelled Success. On Sunday the Austrian troops who are sandwiched in oetween Gens. Woyrsch on the west and von Mackensen on the east, seized Lubim and forced the Russians to abandon practically all of the railroad between Nova Alexandria and that place. The absolute need of this railroad to the Russian position at Warsaw has been explained in former reviews. It will therefore be understood that this success sounded the death knell to Rus-Warsaw, it can not be said to have sia's continued retention of the line she then held. Mackensen Comes to Life.

Following close on the capture of Lublin, von Mackensen, having the week previous, in the battle of Krasnostow, forced the passage of the Volika and seized the heights between that river and Cholm, advanc-ed against the latter city, drove the Russians out, and occupied it. Thus practically the entire railroad from Cholm to Nova Alexandria was in German control.

Northwest of Ivangorod the Russians have occupied a line considerably in advance of the Cistula. They are being gradually forced back, however, and partly because of the pressure on their front and partly through the danger of being flanked by reason of the German occupation of Warsaw will soon have to fall back behind, if not beyond, the Vis-

ula screen. Should the Russians elect to give front the Germans are apt to find the forcing of the river a serious operation, for, as explained in other reviews, the steep ganks, the depth, width, and the swift current combine to make the Vistula the strongest defensive barrier in eastern Europe. Linsingen Holds Down the Right.

On the rest of the front, from Socol, along the upper Bug, the Zlota Lipa and the Dniester to Bessarabia, here has feen but little change. Von Linsingen, who is in command of this section of the Teuton line, is playing a role similar to that of von Buelow in the north. His function is not to attack, but to hold, so that the German right flank and lines of communication may be safe. This he has succeeded in doing while his fellow leaders north and west have driven their attacks home.

Warsaw's Significance.

As to the significance of the fall of Warsaw in its relation to a fossible peace, no one can say. It depends largely how our sympathies lie as to what conclusions we draw. At the same time an event of two years or more ago may be appropriately recalled in this connection.

About that time a friendly protest was lodged with Russia by France over the fact that, in constructing er main line of defense against an attack from the west, Russia fortified the Kovno-Grodno-Bialostok-Brest-Litovsk line, apparently being willing to concede the impracticability of the defense of Poland.

France contended that, with the Russian line of resistance so far removed, an overwhelming force could present naval strength would be a crush her before Russia could offer any diversion. The correctness of this reasoning has been amply demonstrated. Russia therefore advanced her line of defense to the Warsaw line of the Vistula, the Narew and the Niemen.

It is evident that, whether correct ly or incorrecting, Russia does not regard Poland is being an essential part of her defensive plan. If correct in this belief, Warsaw, provided the Russian army es capes, simply means so much more territory for German occupation. If incorrect, only time can show the result.

French Active in Fecht Valley. On the western front the French are consistently maintaining the offensive in the Vosges mountains that they initiated several weeks ago. The principal line of attack is along the Fecht valley from Metzeral to Col-

mar. Although the Germans claims to have regained some of the positions taken from them last week, it seems that the more important of them are still in French hands, those under French control commanding

At the same time this French or importance to indicate that there sives.

guard action will be entirely sacri- is any idea of turning the German ficed, if necessary, in order to retard left and following it up the Rhine. the advance for a sufficient length of On the contrary the impression creattime for the main army to make good ed is that these operations are merely a continuation of Joffre's efforts to wear the Germans down.

Germans at Yser and Verdun. Along the Yser canal front the Germans launched a spasmodic attack in the vicinity of Hooge, using fire projectors in advance of the attacking force to clear the trenches. The attack, however, was short-lived, and this section of the front settled back to its usual more or less quiet

state In the Verdun section, both in the Argonne and along the Meuse heights, the army of the Crown Prince has blazed out against the French Verdun position. As this sec tion of the battle front will probably receive considerable attention in dispatches a brief description of the essential elements of which it consists, together with a resume of what has been accomplished there recently, may prove of interest. The Positions Around Verdun.

The principal feature of the Argonne is a clay ridge about forty This ridge is thickly miles · long. it transversely run the French lines. The part of the forest traversed by the battle lines is included between gale, dropped, according to the offi-the roads between Varennes and cial report, 171 bombs of 90 kilo-Clermont on the east, and Vienne-le-Chateau and Binorville on the west. It is along this front that the Gerby the Chown Prince this week. The turned to the French lines. total front covered by the last attack was about six miles, extending from point on the ridge locally called La Fille Morte, about four miles southeast of Varennes. The total net gain made by the

Germans was greatest along the road from Four de Paris to Varennes. In mitted him to make this announcedepth it measured not more than 500 ment. yards. Its importance, therefore, is not great. The latest attack has been along the same section of the tacks along the Meuse heights and on the Les Eparges front.

It is becoming more apparent every day that the strong probabilities are that neither the Allies nor the Germans can make any important headway against the other on the French front. The intrenchments that have been constructed since the present lines have been taken put any decisive action beyond the bounds of reason. It must be a question of agree ing to quit or one side wearing the other out.

It is very generally expected that after the campaign against Warsaw has been concluded and the Russians driven beyond the Vistula and the weeks. Russia has taken a terrible Bug, the Germans will fortify their own positions as they have done in the west, leave enough troops, and only enough, to keep the Russians where they are, and, strongly reenforcing their western front, institute a drive against some predetermined point between the North Sea

This will probably be the case, a least in part. The doubtful elemeet being the sumber of troops that can be spared from the east. The eastern front is very much longer than the western, the country much more variegated in its topographical features, and the battle lines therefore susceptible of much more mobility and consequent display of more acute military strategy.

The Russian army is, as far as we now know, still intact, and, once its supply of ammunition catches up, will have a striking power of great mo-These factors will control the ment. available troops that Germany can detch for a western offensive. It is almost certain, however, that some reinforcements will reach the west, and that as a result the Allies will be pressure at some point—probably in in the ports of the British empire "as the Ypres section. The operations of a set-off, in some measure, against made aware of the fact by the next two weeks will therefore have an added interest.

In the other war theatres but little has happened during the week on which to comment.

RULE THE WAVES

(Continued from page one.) with Great Britain on an almost equal footing. England had one dreadnought and Germany none. "England, however, was not caught napping. She quickly discovered the German drift and immediately inaugurated the policy of constructing a modern navy equal to that of any two countries. Germany had decided pattle behind the Vistula on this that she could build dreadnoughts as

fast as England, because she had as good shipyards and shipbuilders, and as much wealth. But England forged ahead at a much more rapid rate and outdistanced her rival. time it became apparent that England had entered upon too ambitious a building plan even for the mistress total number of subscribers through of the seas. "Meanwhile the United States had

the British policy changed to 60 per cent. more than that of any other country except the United States. which she placed in the list of friends with which hostilities were altogether improbable. In this connection some may wonder whether in making the statement quoted above regarding the weakness of the United States navy Count Reventlow did not desire to leave the impression that the United States is only awaiting an opporunity to jump on John Bull rather

than to sneer at our navy. "In any event, there could be only one outcome of the feverish race between Great Britain and Germany for naval supremacy from 1906 on. Such a race must wind up in a clash sooner or later. Germany's object in attempting to surpass the British fleet could mean only that she was determined to wrest from England the title of mistress of the seas. England was equally determined that no power should do so." Asked whether late official advices

indicate a large increase in the German navy since the outbreak of the war, this authority said: "The latest advices are that any

attempt to determine Germany's wild guess. Her shipbuilding plants are and have been since the outbreak of the war working day and night. They are turning out submarines as rapidly as possible and are adding to the strength of the other classes of fighting ships.
"The same thing is true of Eng-

land, of course. Whether Germany is building more rapidly than England nobody on the outside knows In England the shipbuilding plants are running all of the time and the workmen have been excused from enlisting in the ranks on the grounds that they can perform a greater duty by sticking to their regular avocations and assisting in turning out new fighting ships."

Three Children Burned.

Three children were burned, eight cottages were destroyed by fire, and three others dynamited to save property in a fire which raged at Lake Delavan, a summer resort near Delavan, Wis.

Three Die in Exposion. Two soldiers and a civilian were killed at the Frankford government arsenal Tuesday when an explosion British cabinet over the question of dred German national school teachers has sunk the British transport Ar-

NEWS OF THE WAR RESERVE BOARD TO AID IN MOVEMENT OF

ABOUT WORLD CONFLICT

BIG NEWS IN SHORT SPACE

Interesting Pointers About the Signican Things Which Oftentimes Escape Attention-War Goes on in Many Fields of Activity-What the Various Nations are Doing.

About 33,858 pounds of bombs

were dropped one day last week by a French aeroplane squadron of thirty five machines on and near the railroad station established by the Germans for strategic reasons at Vigneulles-les-Hattonchatel, the station serving the region of the Calonne covered with undergrowth, and across trenches and that of the Forest of Apremont. The squadron, working in the face of a forty-mile an hour grams each (about 198 pounds). The Germans have been assembling large quantities of military stores at the man attack was launched several station. The bombardment started weeks ago, and it was again attacked several fires. All the aeroplanes re-

British troops are now in Serbia the small village of Bagatelle to a fighting with the Serbians against the Austrians, so it was stated at Liverpool on Thursday by Crawford Price, the British eyewitness with the Serbian forces. He said that the British army authorities now per-

Shells have been dropping into Arras for more than 250 days. When line, being supplemented by the at-tacks along the Meuse heights and lation of 35,000; in December the population was 4,000; now it is 1,000. A few score of the inhabi- points estimate that the maximum tants have been killed or wounded, while the rest have left, under persuasion of the military authorities. Those who remain sleep in cellars. The streets are overgrown with grass. A few underground shops are doing business.

American travelers who have reached Greece from Turkey state that the native Christian inhabitants of the Ottoman empire, the Armenians and Greeks, are being evicted fro mtheir homes by tens of thousands, driven to distant places, and given the choice between accepting Islam or being put to the sword Their houses and property are seized by Turks. Able-bodied men are being drafted into the Turkish army. Many Armenians, who are faring somewhat worse than the Greeks have been massacred.

Gold is flowing into the Bank of France from private hoards, in response to the request of the French government. In two days more than 10,000 persons deposited gold. The certificates given for the gold state that the exchange was made for "national defense."

Cholera is raging in Lemberg, recently captured from the Russians. and the Austrian and German troops have been withdrawn in consequence so reports from Petrograd state. Civilian refugees are pouring into Russian territory. At Kiev the Lemberg cabmen are plying their trade. The British Navy League is urging

the government to seize all German, with two exceptions, there has been of foreign markets for cotton from Austrian and Turkish ships detained no great difference in the average consular offices for the purpose of ada set-off, in some measure, against the destruction of British merchant vessels w.thout warning by German submarines."

Plans are being made in Germany for the formation of a central body, acting under the direction of the Imperial government, and composed of equal numbers of producers and consumers, to improve the economic war machinery during the next harvest year, especially in regard to the fixing of maximum prices and the control of the food supply. The government plans to establish a systematic control of prices of all goods necessary to the conduct of the war, taking all matters of this kind out of the hands of the individual states.

Nearly \$3,000,000,000 has been subscribed by the people of Great of speculators is not permitted under Britain to the war loan, this being, in the words of Chancellor of the Exchequer McKenna, "by far and away the largest amount subscribed in the history of the world." The the Bank of England was 550,000. their subscriptions being \$2,850,developed a considerable navy and 000,000, while 547,000 persons have subscribed \$75,000,000 through the post office, with more subscriptions through the latter channel yet to come.

Reports from Rome state that over 80,000 Turkish wounded from the Dardanelles are now in Constantinople and that the streams of wounded which keep pouring in from the front are having a most depressing effect on the spirits of the Turkish troops who have not yet been sent to the firing line. It is said that an infantry division which was recently sent to the Dardanelles from Smyrna marched through Constantinople weeping.

The Russian minister of finance has issued an order prohibiting the export of gold.

Sir Robert Borden, premier of Canada, last we attended, on the invitation of Premier Asquith, a meeting of the British cabinet, this being 'he first occasion on which a minister from the colonies has taken part in a cabinet meeting in England

The entente allies have occupied 450,000 square miles of German colonial possessions since the war began, says an official Brilish estimate. Two British river monitors have

wrecked the German cruiser Konigsberg, which found refuge from the British fleet last October in the Rufiji River, German East Africa, going up the stream so far that only shallow draught vessels could get near her. Aeroplanes directed the range of the monitors, the Konigsberg being surrounded by a jungle. Huge new German aeroplanes are

being built, according to news from Basle. They are stated to have three tiers of planes, with eight Maybach motors, such as are used in the Zeppelins. The engines are coupled in pairs, each couple driving a propeller. of which there are four. This type of aeroplane is said to be able to carry twenty men. The whole machine is armor-plated. Six of these hour. big machines are declared to have been completed.

Reports from London show that alone, up to the end of June, were much squabbling is going on in the 1,504,523. Four thousand, nine hunexplosive shells. Some of the news- total of 40,000 with the colors.

IN MOVEMENT OF CROP SHUTS OFF COTTON

SCATTERED ITEMS GATHERED Will Lend Money to Banks Who May SOUTHERN STAPLE MAY SOON Use Notes of Farmers Secured

by Cotton Certificates.

federal reserve system in the annual

er crops have been worked out by the

federal reserve board. In a letter

addressed to regional banks the

board have pointed out how the crop

It is shown by the board that no

staple commodity is subject to great

er variations in prices than cotton

"Sudden and violent fluctuations

says the board, "are clearly to the

advantage of neither the loaning

banks, the producer, the manufac

turer nor the consumer. They offer

on the contrary an inviting field for

As the federal reserve banks are

prepared to rediscount the notes of

farmers and merchants secured by

proper warehouse receopts for cotton

and accompanied by evidence of in-

surance, "it is suggested," reads a

statement by the federal reserve

board, "that the federal reserve

banks point out to their members

and to the public generally, that

those who are engaged in cotton pro-

duction, if they intend to take advan-

tage of the facilities offered by the

banks for carrying cotton, should be

gin at once to arrange for its proper

judgment of each member bank.

storage of all cotton that is likely to

The federal reserve board advises

to believe that the world's present

and potential supply of cotton is out

of proportion to requirements during

the next twelve months, it is never-

theless important because of our lack

of adequate shipping facilities as well

as restrictions brought about by the

war upon free exports to all coun-

tries, that ample means be provided for the proper handling and effective

The statement directs special at-

"While the yield of corn

tention to the marketing of the cot-

wheat and other cereals promises to

be large, there is every reason to ex

pect that these products will find a

market in an orderly way. Cotton

however, is peculiarly sensitive to ab-

normal conditions such as now exis

in our export trade and it is clear!

in the common interest that credits

based upon this crop be protected as far as possible from the danger of

demoralization such as existed dur-

ing the autumn of 1914.
"No staple commodity is subject

to greater variations in price than is

cotton, which during the post twelve

years has shown, according to figures

based upon official quotations on the

New York cotton exchange, an aver-

age annual fluctuation of 5.38 cents

per pound, the maximum price range

during any year of this period being

during the year in New York was 9.8

cents per pound, the lowest of the

twelve-year period, and the other be

ing the year 1910 when the average

price per pound was 16.45 cents; but the average price for the entire

twelve-year period was twelve cents

per pound.
"Sudden and violent fluctuation

are clearly to the advantage of neith-

er the loaning bank, the producer

the manufacturer nor the consumer

They offer, on the contrary, an in-

viting field for the speculator, and

should the federal reserve system, in

making possible the more norma

movement of the crop, be a contri

buting factor in reducing these fluc

tuations, it would have accomplished

the law and member banks can no

certify the notes of speculators as

eligible since the act creating the

federal reserve board does not allow

the rediscounting of notes, drafts of

bills of exchange covering "merely

board will be prepared from time to

time to pass upon such special phases

of the crop moving problem as mem-ber banks may present to it through

the federal reserve agents, who are

brought into contact with the special

conditions prevailing in the various

sections of the country, and it will

adapt existing regulations to such

conditions as may have to be met in

facilitating the normal and economi-

movement of the staple agricultura

papers are again laying the blame for

the trouble on Lord Northcliffe, it be-

ing charged that he is trying to force

Priemier Asquith out of office, so

that Lloyd George may take the pre

miership. The London reports say that Asquith is keenly annoyed over

the squabbling and is doing all he

can to bring peace in his official

One hundred Indian troops of the

British army have arrived at Kabul.

Afghanistan, after a four months'

march from Constantinople. The men

were captured in Flanders by the

Germans and were sent to Turkey in

the hope that, being Mohammedans,

they might join the Turks. But they

remained loyal to Great Britain and

finally escaped, heading for Afghan-

regimental depot in India, so it is re-

Large quantities of war munitions

have reached Serbia. The Serbian

National Assembly has voted a credit

of \$50,000,000 for continuation of

Adriatic and the Apennines to Rome.

Preparations have been made by the

Roman authorities to repel the air-

the lights of the Apostolic Palace be

The casualty lists published in Ger

many show that the Prussian losses

dimmed or extinguished at an early

The Pope has ordered that

They now intend to join their

products of the country."

family.

istan.

ships.

ported.

Danube-Save sector.

"The

The statement concludes:

The carrying of products in behalf

a great public good."

investments."

pound in 1906.

marketing of cotton."

ton crop.

movement could be financed.

the speculator.

fall movement of the cotton and oth

BE MADE CONTRABAND

Preliminary plans designed to make available the resources of the BIG LOSS TO GROWERS

During First Year of War Cotton Men. Including Shippers, Loss Nearly \$235,000,000 - President and Administration Concerned

Over Plight of the South The city council of Manchester at a meeting Wednesday adopted a resolution demanding that the British government declare cotton contraband.

profits were made by the American farmers, grain exporters and millers during the first year of the European war, the treasury department announced Tuesday. Duing this period, however, the cotton growers and shippers lost nearly \$235,000,000. These are prominent features of the department's yearly report on exports of foodstuffs and cotton. The favorable trade balance of the Unit-ed States for the week ending July

Little encouragement for the cot-

Four hundred million dollars in

storage and insurance as rapidly as ton growers is seen in the expected ginned." The amount to be advanced announcement by Great Britain of per bale will be left primarily to the the classification of cotton as contraband. One high official of the gov-The reservation of storage space i ernment is quoted as saving that in urged. "While there is not sufficient his opinion Great Britain has decidwarehouse capacity in the South, ed to declare cotton contraband. says the statement, "to provide stor-The same authority expressed the age at any one time for the entire opinion that the English government cotton crop, it is believed that there will shortly announce some plan lookare ample facilities for the proper ing to the compensation of the cotton

31, exceeded \$25,000,000. *

be pledged as securit; for loans. In necessarily entail. a normal movement of the cotton It is an open question whether crop warehousemen at concentrating Great Britain will propose to purchase a specified amount of cotton storage required will not exceed 20 in excess of her own requirements or per cent. of the total receipts for the whether some other way to avoid a serious clash with the United States will be pointed out. that though there seems "no reason

interests for the loss such action will

The fact that the neutral countries in Europe are buying fifteen times the quantity of cotton sold to Germany direct, it is contended, has convinced the English government that Germany and her allies are receiving the staple through neutral ports. An expert of the largest powder plant in America is authority for the statement that from 75 to 90 per cent. of the weight of all explosives being used in Europe at this time is derived from cotton.

It is apparent that the president and other administration officials are deeply solicitous for the welfare of America's leading staple in the existing diplomatic entanglement with Great Britain and realize the immense value to be derived by the cotton producing states from an agree ment whereby the staple will find its accustomed outlets. Gongressman Fred L. Blackmon, of the Fourth Alabama district, has re-

ceived a letter from Secretary of State Lansing that efforts are being made by the government to relieve the situation c_used by the English embargo on cotton. Congressman Blackmon for several

weeks has been trying to impress upon the administration at Washingon the serious condition which the cotton growers of the South may face unless England's policy is altered. 10.4 cents per pound in 1904, and the His last letter, sent to the president, minimum range 2.65 cents per was replied to personally by Secretary Lansing. The government, says "It should be noted, however, that Secretary Lansing, is getting reports price of cotton for each of these vising shippers where markets for twelve years, the exceptions being the year 1905 when the average price

their holdings may be opened.

London reports Tuesday: Diplomatic correspondence between London and Washington concerning delays to American commerce, and Great Britain's orders in council will bt published here to-morrow morn-

ing. The foreign office explains that all phases of controversy, except with regard to cotton, are covered in the Sritish notes, and that when a decision is arrived at on the cotton situaion a new note probably will be sent. Vo question is giving the British government more vexation than cotton. The government already has indicated that its decision not to treat the staple as contrahand is not irrevoc able, but it is not yet convinced that the alternative might not cause more trouble and friction than the present system of detaining cotton suspected of being destined for an enemy coun-

AIRMEN ADD TWO NAMES TO BOARD OF INVENTORS

Hudson Maxim and M. B. Sellars are Nominted for Daniels

Naval Board. The nomination by the Aeronauti-

cal Society, at the request of Secretary Daniels, of Hudson Maxim and Matthews B. Sellars for members of the Naval Advisory Board on Invention brings the membership of the board up to seven, the other members being Thomas A. Edison, Alexander Graham Bell, Orville Wright, Henry Ford and Charles Steinmetz. The Aeronautical Society is the

first of the various engineering and scientific societies to respond to Secretars Daniels' request that they nominate from their membership for places on the board. Other nominations expected will bring the total up to about twenty, and Secretary Daniels hopes to have the board complete and ready for work by September 15 at the latest. A meeting of the board will then be called in Washington to organize.

It is expected that an executive committee will then be chosen from the board membership which will supervise its workings and will meet n Washington at frequent intervals to take up important questions with naval officers and handle requests by officers for advice or assistance on any subect, referring such requests o experts in that particular line.

London Dailies Feel the War.

Decreased revenue has caused the

military operations. The Serbians London newspapers to decrease their are declared to be planning for an sizes. The Post, Times, Telegraph early offensive movement along the and Standard Thursday had ten to twelve pages, whereas formerly they contained about twenty. Information which has been receiv ed in Rome shows that German Zep-Town Destroyed by Cruisers. pelins have been transported to the Austrian coast of the Adriatic Sea, it being planned, so Italians have heard, to attempt a flight across the

Paris reports that the town of Spelia was shelled and destroyed by French cruisers. It was supposed to be a supply depot of enemy subma-

Preparing American Answer.

Washington, Wednesday, says state

department officials are busy preparing a reply to the British notes received recently.

British Transport Sunk. Berlin says a German submarine

responsibility for shortage of high have been killed in battle out of a neuron at the Dardanelles and that most of the crew were drowned.